



Department of Justice

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BRITISH EXECUTIVES TO PLEAD GUILTY FOR THEIR ROLE IN AN INTERNATIONAL PRICE-FIXING CONSPIRACY

WASHINGTON, D.C. -- John F. Casewell and Ian G. Hutchinson, both former executives with Hepworth Refractories, Ltd. (Hepworth), located in the United Kingdom, today agreed to plead guilty for their roles in an international conspiracy to fix the price of carbon cathode block, a carbon product known for its strength and resistance to heat and chemical reaction, the Department of Justice announced. Because of its superior conductive properties, carbon cathode block is commonly used in aluminum smelters or pots in the production of primary aluminum manufactured in the United States and elsewhere.

In separate cases filed in U.S. District Court in Camden, New Jersey, Casewell, the former Sales Director, Cathode Department of Hepworth, and Hutchinson, the former Commercial and Business Development Director of Hepworth and a Director of Hepworth Refractories, Inc., an Ohio corporation, were charged with conspiring with unnamed co-conspirators to suppress and eliminate competition in the carbon cathode block industry in the United States and elsewhere from at least as early as February 1996 and continuing until at least December 1997.

Subject to the Court's acceptance of their plea agreements, Casewell, a citizen and resident of the United Kingdom, has agreed to pay a \$28,000 fine and Hutchinson, a citizen of the United Kingdom and a non-resident alien working in the United States, has agreed to pay a \$30,000 fine and to face a possible six-month jail sentence. Both individuals have agreed to cooperate with the Department in its investigation of this and other matters.

“This is another example of the Antitrust Division’s resolve to take action against violators of the U.S. antitrust laws that harm American businesses and consumers,” said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

According to the charges, Casewell and Hutchinson and their co-conspirators carried out the conspiracy by:

- participating in meetings and conversations in Asia and Europe to discuss the prices of carbon cathode block sold in the U.S. and elsewhere;
- agreeing, during those meetings and conversations, to charge prices at certain levels and otherwise to increase and maintain prices of carbon cathode block sold in the U.S. and elsewhere; and
- exchanging sales and customer information for the purpose of monitoring and enforcing adherence to the terms of the agreements reached.

Today's cases are the fifth and sixth to be filed by the Division involving charges concerning a conspiracy to fix the price of carbon cathode block. Previously, separate charges were filed against Anchor Industrial Products, Inc. (formerly Hepworth Refractories, Inc., an Ohio corporation); Nippon Electrode Company, Ltd. (NDK) of Japan; and VAW Carbon GmbH (VAW) of the Republic of Germany, in this matter. Each company agreed to plead guilty and pay fines totaling in excess of \$2 million for their roles in this conspiracy. In addition, on May 21, 2002, a grand jury in the District of New Jersey returned an indictment against two other foreign nationals, Shogo Ando, formerly the President of NDK, and Manfred A. Mueller, a former executive of VAW, for their roles in this conspiracy.

Casewell and Hutchinson are charged with violating Section One of the Sherman Act, which carries a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or

twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges are the result of an ongoing investigation being conducted by the Antitrust Division's Philadelphia Field Office and the Federal Bureau of Investigation in Philadelphia.

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